

# Thrivent Small Cap Stock Fund

Class S TSCSX

December 31, 2025

## Management



**James Tinucci, CFA**

VP, Head of Equity Funds

Industry: 2008

Fund: 2015



**Matthew Finn, CFA**

VP, Head of Equity Funds

Industry: 1985

Fund: 2013



**Katelyn Young, CPA**

Senior Portfolio Manager

Industry: 2010

Fund: 2023



**Matthew Carlone, CFA**

Senior Portfolio Manager

Industry: 2012

Fund: 2025

## Executive Summary

- The Fund underperformed the Russell 2000 Index over the last quarter mainly due to allocation effects and underperformed the past year mainly due to security selection. The largest detractors to the past quarter were in Health Care, and largest detractors to the last year were in Health Care and Industrials.
- New positions were initiated in multiple sectors, taking advantage of the volatility in stock prices.
- The focus remains on finding quality companies that are attractively priced with long runways for growth in sales, earnings, and free cash flow.

## Performance factors

During the past quarter, the Fund underperformed mainly due to allocation effects. Negative allocation was led by the Health Care sector, while Materials was the largest positive contributor. The Portfolio's underweight positioning in Pharmaceuticals & Biotechnology industries detracted from returns, as both segments delivered strong performance during the quarter. We continue to evaluate opportunities in these areas for investments that align with our long-term investment criteria.

During the quarter we initiated a position in Texas Roadhouse, a casual dining restaurant company that operates a chain of American steakhouses. The recent escalation in beef costs has compressed the company's margins and pressured the share price. Given the inherent cyclicity of beef prices and the company's strong value proposition, which underpins its pricing power, we anticipate a meaningful improvement in operating performance over the intermediate term. Our expectation of improved operating outcomes coupled with a long runway for continued growth in cash flows allowed us to add a quality company to the portfolio at an attractive price.

Over the past 12-months, the Fund underperformed largely due to negative security selection. Negative security selection was led by the Health Care sector and in particular, Twist Biosciences and ADMA Biologics. Twist Biosciences was adversely affected by the reduction in the National Institutes of Health funding earlier this year. We nonetheless view the company as a continuing share gainer within the synthetic DNA ecosystem.

Sector allocation for the past year was negative in several sectors, with the largest contributor being the underweight position in Health Care.

## Portfolio outlook

With the current level of business uncertainty and the Federal Funds rate speculation, it is unclear by how much and for how long the economy will be impacted. However, investor sentiment about the economy fluctuates much more rapidly and with greater amplitude than actual changes in activity. These swings in economic sentiment often result in sharp movements in stock prices, which can present opportunities. As a result, positions were added to or initiated in multiple sectors, while other positions were reduced or sold as investment thesis played out or proved no longer valid. Our focus remains on finding solid companies that are attractively priced with long runways ahead of them for growth in sales, earnings, and free cash flow.

## Performance

For the period ending December 31, 2025 | Periods less than one year are not annualized.

Average annualized returns (%)	3 months	YTD	1 year	3 years	5 years	10 years	Since Inception
Thrivent Small Cap Stock Fund – S share	1.37	2.35	2.35	8.63	7.33	11.81	8.92
- Expense ratio: net 0.78%, gross 0.78%; Incept. date 12/29/1997							
Russell 2000 Index	2.19	12.81	12.81	13.73	6.09	9.62	
S&P SmallCap 600® Index	1.70	6.02	6.02	10.17	7.31	9.81	
Morningstar Small Blend Avg	1.53	7.89	7.89	11.84	7.63	9.42	

**Top 10 Holdings** (excluding derivatives and cash): 18.56% of Fund as of Nov 28 2025: PegaSyst, Inc.: 2.10%, Fabrinet: 2.00%, Old Republic Int'l Corp: 1.95%, Penumbra, Inc.: 1.94%, BWX Tech, Inc.: 1.94%, Moog, Inc.: 1.83%, SharkNinja, Inc.: 1.78%, Ivanhoe Mines, Ltd.: 1.71%, Repligen Corp: 1.66%, Turning Point Brands Inc: 1.65%

**Advisors:** fp.thriventfunds.com • 800-521-5308 • sales@thriventfunds.com **Investors:** contact your advisor

**All data represents past performance. Past performance does not guarantee future results. The investment return and principal value of the investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than the original cost. Current performance may be lower or higher than the performance data quoted. Call 800-847-4836 or visit [thriventfunds.com](http://thriventfunds.com) for performance results current to the most recent month-end.**

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**Russell 2000® Index** measures the performance of U.S. small capitalization equities.

**S&P SmallCap 600® Index** represents the average performance of a group of 600 small capitalization stocks.

The Morningstar average represents the average total return annualized when greater than one year for all reported funds in the category. Morningstar averages do not include sales charges/fees. If included, returns would have been lower. ©2026 Morningstar, Inc. All rights reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete, or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information.

**Risks:** Smaller, less seasoned companies often have greater price volatility, lower trading volume, and less liquidity than larger, more established companies. The Fund's value is influenced by a number of factors, including the performance of the broader market, and risks specific to the Fund's asset classes and issuers. The Adviser's assessment of investments may prove incorrect, resulting in losses or poor performance. These and other risks are described in the prospectus.

This commentary may refer to specific securities which Thrivent Mutual Funds may own. A complete listing of the holdings for each of the Thrivent Mutual Funds is available on [thriventfunds.com](http://thriventfunds.com).

**Investing involves risks, including the possible loss of principal. The prospectus and summary prospectus contain more complete information on the investment objectives, risks, charges and expenses of the fund, and other information, which investors should read and consider carefully before investing. Prospectuses and summary prospectuses are available at [thriventfunds.com](http://thriventfunds.com) or by calling 800-847-4836.**

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